

# The Gazette of India

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## EXTRAORDINARY

### PART II—Section 3—Sub-section (i)

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#### CENTRAL BOARD OF REVENUE

#### NOTIFICATION

#### CUSTOMS

*New Delhi, the 13th August 1958*

**G.S.R. 700.**—In exercise of the powers conferred by section 100A of the Sea Customs Act, 1878 (8 of 1878), as in force in India and as applied to the State of Pondicherry, the Central Board of Revenue hereby makes the following rules, namely:—

#### THE HANDICRAFTS (MANUFACTURE IN BOND) RULES, 1958

1. **Short title.**—These rules may be called the Handicrafts (Manufacture in Bond) Rules, 1958.

2. **Definition.**—In these rules, unless the context otherwise requires,—

- (a) “Act” means the Sea Customs Act, 1878 (8 of 1878);
- (b) “Chief Customs Officer” means—

- (i) where the imported materials are stored at a port, the Chief Customs Officer of the port, or

- (ii) where such materials are stored, or manufacture from such materials is carried on, in an inland place, the Collector of Central Excise in whose jurisdiction such place is situated;

- (c) “Customs Collector” means any officer specially appointed as such by the Chief Customs Officer, for the purpose of these rules;

- (d) “handicrafts” means artistic consumer goods;

- (e) “imported materials” means any materials or articles including these specified below which are imported by a registered manufacturer and declared by him at the time of importation, as intended for processing or manufacture of handicrafts for export under these rules, namely:—

lacquer, special gum, beads, clasps, fastenings, handles, frames, metal thread, velvet, satin, linen, lining material, scarves, vanity bag pieces, ready-made apparel, pocket-watches, melton cloth, shoe vamps, shoe uppers, embroidery thread and knitting wool;

(f) "manufacture in bond" means processing or manufacture in a warehouse under Section 100A;

(g) "registered manufacturer" means a manufacturer who is registered by the Chief Customs Authority under rule 3;

(h) "section" means a section of the Act;

(i) "warehouse" means a warehouse appointed or licensed under the Act or under the Inland Bonded Warehouses Act, 1896 (VIII of 1896);

(j) "warehouse officer" means a Customs Officer appointed by the Customs Collector for supervising the operations in any warehouse appointed or licensed for the purposes of these rules,

**3 Registration of manufacturers.**—(1) Every application for registration as a "registered manufacturer" under these rules shall be made to the Chief Customs Authority.

(2) Such application shall—

(i) specify in as much detail as possible (a) the description of the imported materials which are intended to be used for the manufacture in bond, of handicrafts, (b) the handicrafts intended to be processed or manufactured, and (c) the processes of manufacture in bond desired to be carried on; and

(ii) furnish a list of the premises to be used as warehouses for the purposes of these rules.

(3) The Chief Customs Authority may register the applicant as a "registered manufacturer" and grant him a certificate of registration subject to such conditions as the Chief Customs Authority thinks fit to impose.

(4) A certificate of registration granted under sub-rule (3) shall specify—

(a) the registration number allotted to the manufacturer;

(b) the general description of imported materials, and of the handicrafts to be manufactured therefrom; and

(c) the conditions, if any, imposed under that sub-rule.

(5) A registered manufacturer may be permitted by the Chief Customs Officer to add to, or modify, from time to time, the particulars furnished under sub-rule (2) of this rule.

**4. Warehousing and manufacturing operations.**—(1) No private bonded warehouse shall be licensed in the name of a registered manufacturer for the purpose of these rules except by, or under the orders of, the Chief Customs Authority.

(2) The Customs Collector may require such arrangements to be made in any licensed warehouse as he deems necessary for the safe custody and proper accounting of the imported materials or of the semi-finished or finished handicrafts.

(3) Storage of, and manufacture in bond from, imported materials, and storage of finished or semi-finished handicrafts, shall ordinarily be permitted in all licensed warehouses, but the Chief Customs Officer may, at any time, direct at his discretion that manufacture in bond shall not be permitted in any particular warehouse.

(4) Manufacture in bond shall not be carried on except on such days and during such hours as the Customs Collector may specify.

(5) All operations conducted in any licensed warehouse, and all receipts into, and issues out of, any such warehouse, of imported materials, and of handicrafts made therefrom, shall be subject to such supervision by the warehouse officer as the Chief Customs Officer may think fit to impose.

(6) An up-to-date account of all such operations, receipts and issues shall be maintained by the registered manufacturer in such form as may be prescribed by the Chief Customs Officer, and such accounts shall at all times be subject to the scrutiny of the warehouse officer and of all officers to whom such officer is subordinate.

(7) In addition to the bonds required to be executed by the registered manufacturer under the Act, and under the Inland Bonded Warehouses Act, 1896, he shall also execute such bonds as the Chief Customs Authority may require, to cover the movement of semi-finished or finished handicrafts from one warehouse to another, or from any warehouse for shipment for export without payment of duty.

(8) The registered manufacturer shall provide and maintain to the satisfaction of the Customs Collector, for the use of the Warehouse Officer present at the warehouse, necessary furniture and suitable accommodation for his office, within the warehouse premises.

**5. Clearance for export.**—(1) Clearance of finished handicrafts for export shall be allowed free of duty on the imported materials used in the processing of manufacture thereof, provided the goods are exported within three years of the date of the oldest bill of entry covering any part of the imported materials used in such processing or manufacture.

**6. Clearance from bond for home consumption.**—No imported materials or semi-finished or finished handicrafts manufactured therefrom in bond shall be permitted to be cleared for home consumption except with the prior permission of the Chief Customs Authority.

[No. 229/F. No. 34/32/57. Cus-IV.]

S. VENKATARAMAN, Under Secy.

